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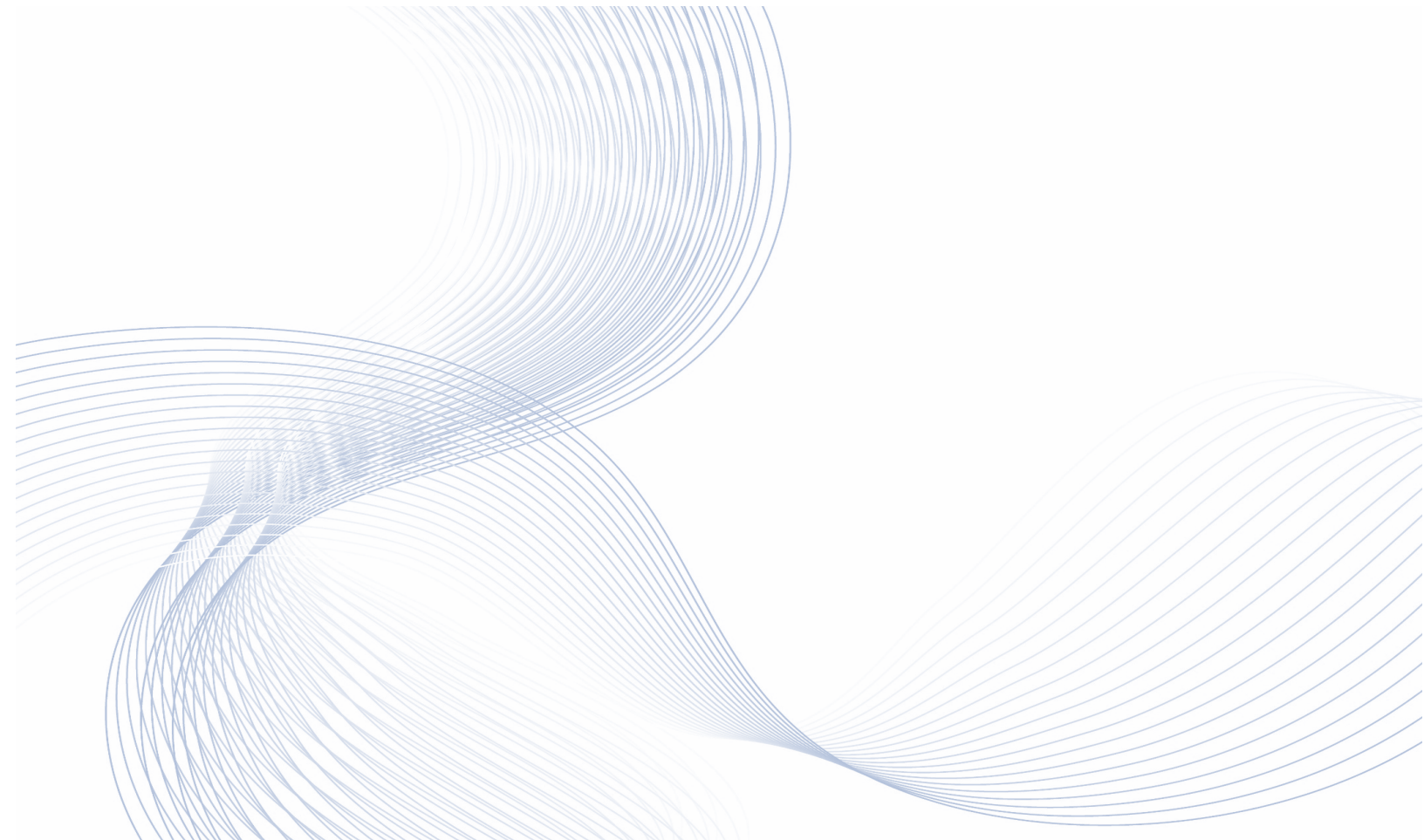
ADOA – General Accounting Office

AGENCY PAYROLL GUIDE:
PAYROLL COMPUTE:
RETROACTIVE PAY

PAYROLL COMPUTE: RETROACTIVE PAY

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Overview

The objective of this quick reference guide is to provide general information on the process of HRIS time record entry after a pay change as it relates to the Agency Payroll Specialist. The guide is not intended to be all-inclusive and may not offer step-by-step instructions.

Agency Payroll Functions

1. Process prior pay period adjusting time records including retroactive pay changes

2. Manually calculate and add any stipends or bonus for the retro pay period

3. Submit GAO-73A for retirement rate differences if crossing fiscal years

Deadlines

- Pay history correction must be entered BEFORE any adjusting time records are entered or the ZR131 job is submitted

- GAO-73A (for Retirement Rate Adjustments) due by 12 pm (noon) on Day 2 (compute Tuesday)

Payroll Cycle

Payroll jobs use a 10-day cycle. Use this reference chart to determine day of the week when Day Numbers are referred to in this guide.

Week	Monday	Tuesday	Wednesday	Thursday	Friday
Week 1 Compute	Day 1	Day 2	Day 3	Day 4	Day 5
Week 2 Off Compute	Day 6	Day 7	Day 8	Day 9	Day 10

Helpful Resources and Documents

Step by Step Training

HRIS Training - Retroactive Pay Calculation

Forms

GAO-73A Request for a One-Time Deduction

Adjust Current Pay Period Time Records

Enter time records after Agency Human Resources has entered the pay rate change. If time records have already been entered prior to the rate change, update or refresh the time records.

Adjust Prior Pay Period Time Records

ZR131 Retroactive ("retro") pay rate change

Use screen ZR131 to calculate a retroactive pay increase or decrease based on an amount per hour and create time records (**pay code 144**) for the amount. Detailed instructions are in the HRIS Retroactive Pay Calculation training.

Items to note when processing a retro:

1. Pay change correction must be entered in the HRIS before ZR131 is processed

   ▪ If the pay change covers more than one position, the ADOA HR must be contacted to perform a personnel action pay history correction

2. The employees current **Pay Plan** (HR11) is used to generate the retro time records

   ▪ Employees in the NEXP/EXP Pay Plans will have a retro record created for each week

   ▪ Employees in the EXC Pay Plan will have a single retro record created

3. Fields on the ZR131 screen:

   ▪ Selection Tab:

      a) **Date Range**: Retro Time Period Begin and End dates

      b) ***Do not include the current pay period***

   ▪ Time Record Tab:

      a) **Retroactive Percent**: Do not use this field

      b) **Amount Per Hour** (only allows 2 decimals): Difference of the increase or decrease

         ● Pay <u>decrease</u> for a prior calendar year must be completed using the GAO-70A Overpayment Worksheet; employee will receive a W-2c

      c) **Retroactive Pay Code**: 144 (always!)

   ▪ Time Record Date:

      a) **Excluded** (EXC) employee aka "Salaried" or "FLSA-Exempt, 40 hours only

         ● Retro Time Period End Date

         ● An EXC employee will have one retro time record for the lump sum

      b) **Non-Exempt** (NEXP) and Exempt (EXP) Employee aka "Hourly":

         ● Time Record date field to be left blank

         ● NEXP and EXP employees will have one retro time record for each week the retro period covers. This is used to calculate overtime for a NEXP employee.

      c) Update Option:

         ● Run ZR131 with an Update Option of **R – Report**. Review the report in print manager

- o Review the **ZR131.error** report for any position errors. Contact the HRIS Helpdesk to resolve "Position not active" or "Position doesn't exist" errors.
  - ● Change the ZR131 to Update Option of **A – Update; Add Time Records.** Time records will be added to the employee's record.

4. If you process a retroactive pay increase for a non-exempt employee, overtime calculations will automatically be updated during the regular payroll compute cycle.
   - ▪ The GAO Handwrite policy does not allow retro pay on a handwrite because the HRIS does not automatically calculate overtime impacts to the retro.

5. Manually calculate and add percent based stipend time records, such as geographical stipend time records, for each pay period an employee received a stipend.

Delete a Retro entered in error

On the ZR131 screen, use an Update Option of **U**. This will delete all pending retro time records and add the revised retro time records based on your ZR131 job parameters. If the employee should not receive any retro payment this pay period, email Central.Payroll@azdoa.gov to delete the retro time records. Agency Payroll can delete retro time records by using form ZR80 before manual warrant security is turned on at noon.

Retro Pay for time in a prior fiscal year

The retirement systems require contributions be withheld based on the rates that were applicable at the time the wages were earned. Submit a GAO-73A for retirement for the difference between current Fiscal Year (FY) rates and the applicable prior FY rates if the retro pay includes prior fiscal year pay periods.

Need Assistance?

View the Central Payroll Directory click here